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Message Text

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ACTION NEA-12

INFO OCT-01 ADP-00 SS-15 SSO-00 RSR-01 RSC-01 NEAE-00 /030 W
---------- 117770
O R 051030 Z APR 73
FM AMEMBASSY DACCA
TO SECSTATE WASHDC IMMEDIATE 9285
INFO AMEMBASSY ISLAMABAD
AMEMBASSY LONDON
AMEMBASSY NEW DELHI

S E C R E T SECTION 1 OF 3 DACCA 1470/1

E. O. 11652: GDS
TAGS: OCON, PFOR, BG, PK, US
SUBJECT: NEA CHIEFS OF MISSION CONFERENCE - BANGLADESH COUNTRY
ASSESSMENT

REF: STATE 055401

FOR ASSISTANT SECRETARY SISCO FROM CHARGE

HAD IT NOT EXPERIENCED A RECENT SUCCESSION OF
NATURAL AND MAN- MADE DISASTERS, BANGLADESH WOULD
HOLD LITTLE INTEREST FOR THE UNITED STATES.

A. ECONOMIC - 1) EAST BENGAL HAS LONG BEEN ONE
OF POOREST AREAS OF WORLD, BURDENED WITH HUGE
EXPANDING POPULATION, LACKING MAJOR NATURAL
RESOURCES, HAMPERED BY INADEQUATE INFRASTRUCTURE,
WITH ECONOMIC GROWTH BARELY KEEPING UP WITH
POPULATION. DEVASTING FLOODS / CYCLONE 1970
AND WAR 1971 SET OFF VAST DISPLACEMENT OF
POPULATION, DISRUTPION OF ECONOMY, AND
DISORGANIZATION GOVERNMENT AND OTHER INSTITUTIONS.

2) BANGLADESH SURVIVED. THREATENED FAMINE HAS
BEEN AVERTED. CONSTITUTION HAS BEEN PROMULGATED
AND NATIONAL ELECTIONS HELD. ALL MAJOR INDUSTRY
HAS BEEN NATIONALIZED, IMPORT REGIME ESTABLISHED,
AND LABOR AND INVESTMENT POLICIES OUTLINED.
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REASONABLY REALISTIC BUDGET FY 73 WAS FORMULATED TOGETHER WITH ANNUAL DEVELOPMENT PLAN. FIVE YEAR PLAN NOT TO BE LAUNCHED WITH SENSIBLE MAJOR FOCUS ON AGRICULTURE WHICH ACCOUNTS FOR JUST OVER HALF OF NATIONAL PRODUCT.

3) BANGLADESH ATTRACTED MASSIVE INTERNATIONAL ASSISTANCE. SINCE INDEPENDENCE COMMITMENTS HAVE AMOUNTED TO $1.3 BILLION-- MULITATERAL THROUGH THE UNITED NATIONS, BILATERAL, AND VIA VOLUNTARY AGENCIES. U. S. HAS SUPPLIED $347 MILLION, INDIA $ 249 MILLION, AND USSR $132 MILLION. IMMEDIATE RELIEF NEEDS HAVE BEEN MET AND SOME RECONSTRUCTION, MOST IMPORTANTLY IN BADLY DISRUPTED TRANSPORT SECTOR.

4) SURFACE ACCOMPLISHMENTS APPEAR MANY BUT SERIOUS DEFICIENCES FACE BANGLADESH. FAILURE OF 1972 MONSOON RESULTED IN POOR MAIN RICE CROP: SURVEY BY UN EXPERT (CHANDLER) ESTABLISHED REQUIREMENT FOR FOODGRAIN IMPORT OF 2.5 MILLION TONS IN CY 73. WITH NO PROSPECT OF IMMEDIATE BREAKTHROUGH IN RICE PRODUCTION AND WHILE APPEALING FOR MAJOR OFFER OF FURTHER FOOD AID IN EXTREMELY TIGHT WORLDWIDE FOODGRAIN SITUATION, BDG EMBARKED ON CRASH PROGRAM OF COMMERCIAL PURCHASES ABROAD, FOR IMMEDIATE DELIVERY AT COST OF UP TO $160 MILLION OF ITS OWN SCARCE FOREIGN EXCHANGE. ALLOCATIONS FOR NON- FOOD IMPORTS HAVE SUFFERED. WITH IMPORTS SLOW AND PRODUCTION WEAK, PRICES HAVE SOARED. U. S. HAS GIVEN SUBSTANTIAL AID TO AGRICULTURAL PRODUCTION IN FORM OF FERTILIZER, PESTICIDES AND SEEDS, AND THESE INPUTS WILL BE STILL LARGER FRACTION OF U. S. AID AS DEVELOPMENT PHASE BEGINS. WITH SUCH HELP, RECOVERY OF RICE PRODUCTION TO LEVEL ABOVE PRE- WAR IS POSSIBLE NEXT YEAR, CUTTING MAIN IMPORT NEEDS TO HALF THAT OF CURRENT CALENDAR YEAR. U. S. AID WILL ALSO BE DIRECTED TO FUNDAMENTAL RURAL DEVELOPMENT (E. G., COOPERATIVES, IRRIGATION, ETC.) TO CONTRIBUTE TO FUTURE SUBSTANTIALLY INCREASED RICE AND OTHER FOOD CROPS.

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5) ORGANIZATIONAL RESTRAINTS STILL HAMPER RECONSTRUCTION AND DEVELOPMENT OF ECONOMY - HIGHLY CENTRALIZED GOVERNMENT; NATIONALIZED INDUSTRY THAT HAS YET TO BE GIVEN MUCH AUTONOMY; MONOPOLISTIC STATE TRADING ORGANIZATIONS THAT HAVE NOT BEEN ABLE TO FULFILL THEIR IMPORT/ EXPORT FUNCTIONS; PRIVATE SECTOR WHICH IS SEVERELY LIMITED, UNCERTAIN OF ITS ROLE, AND THEREFORE SIMPLY NOT INVESTING.

6) TOTAL IMPORT REQUIREMENTS HAVE RISEN FROM $600 MILLION PRE- INDEPENDENCE THROUGH PROJECTED FY 73 TARGET OF $929 MILLION (WHICH WILL NOT BE FULFILLED), TO ESTIMATE BY PLANNING COMMISSION FOR FY 74 OF $1,040 MILLION. EXPORTS, AROUND 80 PERCENT RAW JUTE AND JUTE GOODS, BENEFITTED INITIALLY FROM PENT- UP DEMAND AND BACKLOGGED INVENTORIES BUT HAVE SINCE LAGGED AND WILL PROBABLY NOT REACH FY 73 GOAL OF $325 MILLION. TRADE WITH INDIA-- LARGELY THROUGH STATE TRADING ORGANIZATIONS-- HAS NOT FLOURISHED, AND OTHER MARKETS (AS WELL AS SUPPLY SOURCES) REPLACING WEST PAKISTAN HAVE NOT BEEN FULLY DEVELOPED.

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ACTION NEA-12

INFO OCT-01 NEAE-00 SSO-00 ADP-00 SS-15 RSR-01 RSC-01 /030 W
---------- 117782
O R 051030 Z APR 73
FM AMEMBASSY DACCA
TO SECSTATE WASHDC IMMEDIATE 9286
INFO AMEBASSY ISLAMABAD
AMEMBASSY LONDON
AMEMBASSY NEW DELHI

S E C R E T SECTION 2 OF 3 DACCA 1470/2

7) IN RECENT PRESENTATION TO DONORS, BD PLANNING COMMISSION ESTIMATED IT WILL NEED $825 MILLION IN NEW AID COMMITMENTS IN FY 74 (FOR A NEW INFLOW OF $650 MILLION). IN PAST, U. S. HAS PROVIDED ROUGHLY A THIRD BUT CANNOT CONTRIBUTE THAT SHARE

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OF SUCH A LARGE PROJECTED TOTAL. OUR FY 73
PROGRAM EXPECTED TO BE $90-$10 MILLION
BILATERAL GRANT (WHICH WILL INCLUDE CONTINUED
SUPPORT OF UN OPERATION), ABOUT $53.5 MILLION
WORTH OF PL 480, AND POPULATION GRANT (S). IN
FY 74, U. S. AID WILL SHIFT LARGELY TO DEVELOPMENT
LOANS. FY 74 CONGRESSIONAL PRESENTATION LEVEL
IS $54 MILLION, WHILE PL 480 BUDGET IS $64 MILLION.
POPULATION ACTIVITES WOULD BE FUNDED ON GRANT
BASIS FROM SEPARATE ALLOCATION. BANGLADESH HAS
JOINED WORLD BANK, IMF AND ADB, BUT THESE SOURCES
UNLIKELY TO MAKE UP FOR GENERALLY DECLINING LEVELS
OF AID FROM BILATERAL DONORS.

8) A COMPLICATING FACTOR IN OUR AID RELATIONSHIP
WILL BE THE QUESTION OF HOW DEBTS FOR OLD AID TO
FORMERLY UNITED STATE WIL BE DIVIDED BETWEEN
PAKISTAN AND BANGLADESH. SOME $1.15 BILLION
ATTRIBUTABLE TO AID FOR EAST PAKISTAN (NOW
BANGLADESH) OF WHICH $536 MILLION FROM U. S.
FIRST DONORS' MEETING DACCA MARCH 31- APRIL 1
RESULTED IN NO FORWARD MOVEMENT ON BD ACCEPTANCE
OF LIABILITY. PLEDGES FOR FUTURE DEVELOPMENT
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AID (BUT NOT HUMANITARIAN AID) THEREFORE HAD TO
BE MADE CONDITIONAL ON SATISFACTORY RESOLUTION
DEBT QUESTION. GENERAL AGREEMENT THAT LATTER
WOULD BE FOLLOWED BY GENEROUS RESCHEDULING OF
RECOGNIZED DEBT OBLIGATIONS.

9) U. S. INTERESTS IN BANGLADESH ARE NOT
SIGNIFICANT IN RESPECT TO TRADE OR INVESTMENT
POTENTIAL. OUR INTEREST ARE LARGELY DEVELOPMENTAL
AND HUMANITARIAN. THEY CAN BE EFFECTIVELY ADVANCED
ONLY AS BANGLADESH SUCCEEDS IN RESOLVING SOME OF
ITS OWN PROBLEMS AND AS DONOR ORGANIZATIONS CAN
BE PERSUADED TO CONTINUE MAJOR ECONOMIC ASSISTANCE.

B. POLITICAL - 1) UNITED STATES - BANGLADESH
RELATIONS. US POLITICAL AND STRATEGIC INTEREST IN
BWQGLADESH APPEAR MINIMAL EXCEPT TO DEGREE THAT
BANGLADESH' S TERRITORIAL INTEGRITY AND INTERNAL
STABILITY AFFECT INDIA. BANGLADESH AS SUCH WOULD
APPEAR OF LITTLE IMPORTANCE TO BIG POWERS.
CHINESE- SOVIET RIVALRY, HOWEVER, MAKES IT
A LEGITIMATE AREA OF INTEREST FOR BOTH THOSE STATES.

US- BD RELATIONS ARE BASICALLY GOOD THOUGH MUJIB MUST

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TAKE ACCOUNT ANTI- AMERICAN ATTITUDE OF SOME OF
HIS LEFT WING AWAMI LEAGUE COHORTS. SOME
SUSPICION OF US REMAINS AS A RESULT OF USG SUPPORT
FOR PAKISTAN DURING THE LIBERATION STRUGGLE.
MUJIB HOWEVER IS PRAGMATICALLY AWARE OF CRUCIAL
IMPORTANCE OF US AID. HE HAS EFFECTIVELY
SILENCED MOST ANTI- US EXPRESSSIONS IN GOVERNMENT, BUT
NOT IN HIS PARTY. MUJIB FEELS HE TOOK COURAGEOUS
STEP IN CRUSHING LEFT WING STUDENT ATTACKS ON
USIS IN JANUARY OF THIS YEAR. HIS DECISION TO
DO SO WAS ALSO THE SIGNAL THAT HE WOULD NO LONGER
TOLERATE OVERT PRO- SOVIET AGITATION. AS RESULT
USSR LOWERED ITS PROFILE TEMPORARILY BUT HAS IN
NO WAY CURTAILED ITS MAJOR ACTIVITIES.

2. FOREIGN RELATIONS. BDG " UNALIGNED" POLICY
INCLUDES SPECIAL RELATIONS WITH INDIA AND SOMEWHAT LESS SO
WITH USSR. TOWARD PAKISTAN BDG HAS REMAINED CONSISTENTLY INFLEX-
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IBLE. PAK RECOGNITION " MUST" PRECEDE TALKS AND WAR CRIMES TRIALS
" MUST" TAKE PLACE. BENGALEE DISTRUST (DREAD?) OF BHUTTO REMAINS
SERI-
OUS OBSTACLE TO BREAKING RECOGNITION/ TALKS IMPASSE.
BENGALEES ATTACH GREAT IMPORTANCE TO BANGLADESH
ADMISSION TO THE UNITED NATIONS AS WELL AS TO
RECOGNITION FROM MUSLIM ARAB STATES. TOWARD
CHINA, IN SPITE OF HER SUPPORT PAKISTAN AND HER
VETO BANGLADESH' S UNITED NATIONS MEMBERSHIP
APPLICATION, BD FEELS MORE SORROW THAN ANGER.
THERE ARE CONTINUING REPORTS OF BD FEELERS TOWARD
CHINA.

3. INTERNAL POLITICAL. MUJIB' S ELECTION
VICTORY GIVES HIM ALMOST UNLIMITED AUTHORITY FOR
NEARLY ANYTHING HE UNDERTAKES. MUJIB, ALAS, HAS NOT
SHOWN ANY INDICATION OF PLANS FOR MAJOR
READJUSTMENT POLICY OR STYLE OF GOVERNMENT.
CONTINUING OBSTACLE TO EFFECTIVE GOVERNMENT REMAINS
INTELLECTUAL AND PSYCHOLOGICAL GULF THAT
SEPARATES " PROVISIAL" POLITICIANS FROM RELATIVELY
COMPETENT CIVIL SERVANTS. MAJOR DECISIONS WILL
CONTINUE FOR SOME TIME TO BE MADE BY MUJIB WHO IS
ASTUTE POLITICIAN BUT POOR ADMINISTRATOR. MUJIB
DOES NOT HAVE INDEFINITE FREE RIDE. IF HE DOES
NOT DELIVER ON PROMISES, PARTICULARLY FOOD, DURING
NEXT YEAR OR SO, HIS POSITION WILL ERODE. FOR TIME
BEING MUJIB' S POWER SEEM NEARLY ABSOLUTE AND HE
SHOWS EVERY INTENTION OF RUNNING A ONE- PARTY STATE

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AND IF POSSIBLE A ONE- MAN PARTY. BANGLADESH
FORTUNES FOR IMMEDIATE FUTURE HANG PRECARIOUSLY
ON STRENGTHS AND WEAKNESSES OF ONE MAN-- MUJIBUR
RAHMAN.

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ACTION NEA-12

INFO OCT-01 ADP-00 SS-15 SSO-00 RSR-01 RSC-01 /030 W
---------- 116562
O R 051030 Z APR 73
FM AMEMBASSY DACCA
TO SECSTATE WASHDC IMMEDIATE 9287
INFO AMEMBASSY ISLAMABAD
AMEMBASSY LONDON
AMEMBASSY NEW DELHI

S E C R E T SECTION 3 OF 3 DACCA 1470/3

4. POLITICAL- MILITARY. BDG REGULAR FORCES
NUMBER 25,000; BORDER SECURITY FORCE 13,000 AND
INTERNAL SECURITY FORCE 10,000. BANGLADESH
MILITARY/ PARA- MILITARY BODIES INADEQUATE EITHER
DEFEND COUNTRY AGAINST LARGE SCALE ATTACK OR
SUPPRESS MAJOR INSURGENCY. MILITARY UNLIKELY TO
MIX IN POLITICS UNLESS STRUCTURE OF COUNTRY GRAVELY
WEAKENED. BANGLADESH IS GETTING COMBAT
AIRCRAFT AND TRAINING IN THE SOVIET UNION AND IS ALSO GETTING
LIMITED HELP FROM UK, INCLUDING HELICOPTERS AND
TRAINING FOR A FEW OFFICERS. BULK OF MILITARY
EQUIPMENT BOUGHT FROM INDIA. BDG MILITARY BUDGET
VERY SMALL. AWAMI LEAGUE POLITICIANS DISTRUST
REGULAR MILITARY AND FAVOR JATIYO RAKKHI BAHINI,
A PARA- MILITARY BODY OF FORMER GUERRILLAS AND
CONSIDERED RELIABLE THNAKS TO HEAVE INDOCTRINATION
IN LOYALTY TO MUJIB AND AWAMI LEAGUE.

E. POST STAFFING AND OPERATIONS

1. U. S.: STATE 19 PLUS 6 MARINES, USIS 5,
AID 16, AGRICULTURE 2, NIH AND CRL 7; FSL: 218
PLUS 330 CONTRACT.

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2. OUR ONLY STAFFING VACANCY IS AMBASSADORSHIP.

3. ADMINISTRATIVE PROBLEM, PRESUMABLY COMMON TO ALL NEA POSTS, LIES IN LACK OF ENOUGH FUNDS TO
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MEET FOURTH QUARTER REQUIREMENTS AND NO MONEY AT ALL TO BUY REPLACEMENTS OR ADDITIONAL EQUIPMENT AND FURNITURE.

D. NOTE THAT STATE 059983 ADVANCING DEADLINE TO APRIL 3 WAS NOT RECEIVED IN DACCA UNTIL AFTERNOON APRIL 5.
NEWBERRY

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*** Current Handling Restrictions *** n/a
*** Current Classification *** SECRET

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 05 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973DACCA01470
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730435/aaaahsju.tel
Line Count: 353
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: SECRET
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Review Authority: golinofr
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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971202
Subject: NEA CHIEFS OF MISSION CONFERENCE - BANGLADESH COUNTRY ASSESSMENT
TAGS: OCON, PFOR, BG, PK, US, OCON
To: ISLAMABAD
LONDON
NEA
NEW DELHI
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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